

Fin

ANNUAL
REPORT
1967

VULCAN CORPORATION



OFFICERS OF VULCAN CORPORATION

J. W. BROWN
Chairman of the Board

JAMES P. FLAUGHER
Vice-President and Secretary

ERIC V. NELSON
Vice-President

W. E. NICHOLS
Vice-President

STANLEY A. SHEBUSKI
Vice-President

LAWRENCE B. AUSTING
President

WALLACE H. PEARSON
Treasurer

GLEASON W. LUNN
Controller

VERNON E. BACHMAN
Assistant Secretary

HELEN A. FIELDS
Assistant Secretary

JOSEPH GLENDY, JR.
Assistant Treasurer

STOCK TRANSFER AGENTS—The First National Bank of Cincinnati
The Chemical Bank New York Trust Company

REGISTRARS—The Central Trust Company of Cincinnati
The Chemical Bank New York Trust Company

AUDITORS—J. D. Cloud & Company, Cincinnati, Ohio
Wipfli, Ullrich & Company, Wausau, Wisconsin
Clarkson, Gordon & Co., Kitchener, Canada

LEGAL COUNSEL—Brown & Gettler, Cincinnati, Ohio

DIRECTORS

J. W. BROWN*

*Chairman of the Board
Vulcan Corporation*

RAY R. BROWN

Industrial Realtor

WILLIAM T. CRUTCHFIELD

W. E. Hutton Company

FRED A. DOWD

*Chairman of the Board
The First National Bank of Cincinnati*

J. HOWARD FRAZER

*Treasurer
Cincinnati Transit Company*

BENJAMIN GETTLER

*Partner
Brown & Gettler*

LAWRENCE B. AUSTING*

*President
Vulcan Corporation*

SELDEN F. HIGH

*President
Sullivan Electric Co.*

LLOYD I. MILLER°

*Chairman of the Board
Cincinnati Transit Company*

JOHN F. KOONS, JR.

*President
Burger Brewing Co.*

JOSEPH B. REYNOLDS*

*Partner
Benj. D. Bartlett & Co.*

DR. S. SUMNER ROCKWERN

Physician



OFFICERS

DIRECTORS



57th ANNUAL REPORT FOR THE
YEAR ENDED DECEMBER 31, 1967

On our cover, this year, the artist has symbolized the accelerating progress of your company in his design. This progress is detailed on the pages of this Report.

*Executive Committee

°Chairman of Executive Committee

HIGHLIGHTS OF 1967

	1967	1966	% Change
NET SALES	\$21,436,477.	\$15,002,912.	+ 42.9
NET EARNINGS	1,141,677.	796,047.	+ 43.4
AFTER TAXES			
EARNINGS PER SHARE COMMON	1.23	.85	+ 44.7
COMMON DIVIDENDS PER SHARE	.35	.28 $\frac{3}{4}$	+ 21.7
SHAREHOLDERS' EQUITY	6.30	5.28	+ 19.5

OFFICERS

DIRECTORS

57th ANNUAL REPORT FOR THE
YEAR ENDED DECEMBER 31, 1967

On our cover, this year, the artist has symbolized the accelerating progress of your company in his design. This progress is detailed on the pages of this Report.

March 25, 1968

TO THE SHAREHOLDERS

It is our pleasure to inform you that 1967 produced record highs in both sales and earnings as well as two significant firsts—profits in excess of one million dollars (\$1,141,677.) and sales in excess of the twenty million dollar mark (\$21,436,477.). During the year the consolidation and realignment of facilities acquired in the Mears purchase, which was consummated the latter part of 1966, were completed. Further steps were also taken at all plants in the continuing program of plant modernization and improvement. At the same time operating horizons were broadened both through internal expansion and the acquisition in November of three heel companies.

Tangible results of the corporation's progress were received by the shareholders in the form of a two-for-one split June 2, the second such split within the past six years and a dividend increase for the third consecutive year. Another important step beneficial to both the shareholders and the corporation was completed November 6 when the corporation's common stock was listed on the American Stock Exchange. This established for investors an immediate and reliable market as well as a steady source of market information.

While the achievements of 1967 were many and varied the corporation is not at rest. The future is viewed not as a time for reflection on past successes but as an arena in which to meet the challenge of growth and development.



J. W. BROWN
Chairman of the Board



L. B. AUSTING
President

..VUL. OPD 194 . . 194 . . 2s 194 . . 8 198 . $\frac{3}{8}$. .

The common shares of your company were traded for the first time on the American Stock Exchange at 11:00 A.M., November 6th. Chairman Brown initiated trading with the purchase of 100 shares. Viewing the record of the transaction as it appeared on the floor of the Exchange were Broker John J. Mann, whose firm is the floor specialist in Vulcan Stock, L. B. Austing, J. W. Brown, L. I. Miller, J. H. Frazer and W. T. Crutchfield.



EARNINGS

Profits for the year, after taxes were \$1,141,677, which amounts to \$1.23 per share on the common stock after payment of dividends on the preferred stock. These figures compare to earnings of \$796,047 or 85c per share in 1966 and \$491,811 or 51c per share in 1965 after adjusting for the two-for-one split in the common stock effective June 2, 1967.

FINANCIAL

Net working capital at December 31, 1967 was \$3,940,934 compared to \$4,100,376 in 1966. The ratio of current assets to liabilities was 1.95 to 1 compared to 2.71 to 1 in 1966. 139 shares of \$3.00 prior preferred and 134 shares of \$4.50 cumulative preferred stock were purchased and retired. Options on 9,600 shares of common stock were exercised. There are options on 3,500 shares still outstanding. Capital expenditures, exclusive of acquisitions, amounted to \$814,866 whereas total depreciation was \$662,079. At December 31, 1967 the common shares net worth was \$5,720,408 or \$6.30 per share.

FOREST PRODUCTS

The Forest Products Division is no longer a manufacturing division and is responsible for the disposition and maintenance of the corporation's timber tracts. During the year cutting rights were sold on 4,877 acres of timber. The corporation still has cutting rights on 14,408 acres and owns 13,983 additional acres in fee in Michigan's Upper Peninsula. This timber is being managed so the corporation can derive maximum benefit from it.

SHOE PRODUCTS

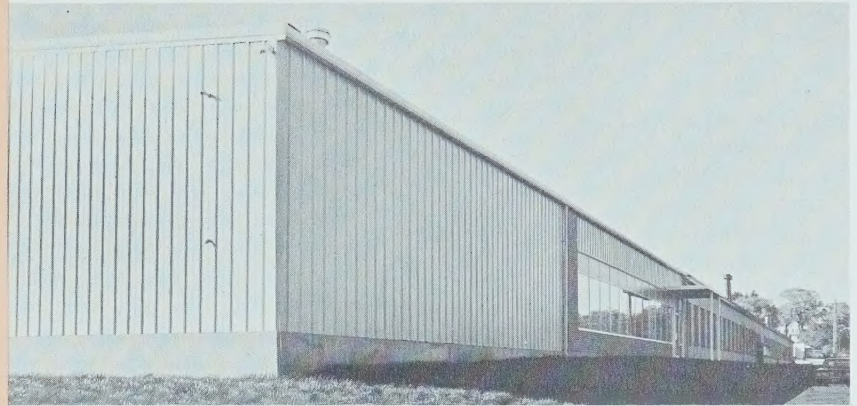
The style changes which began in 1966 gained momentum during the latter part of the first quarter of 1967 as wider, heavier toes and heavier heels became popular in women's footwear. Shorter hemlines in women's ready-to-wear resulted in unprecedented

demand for lower heel heights for nearly all fashion needs. These factors resulted in good business for our shoe last and shoe heel operations throughout most of the year.

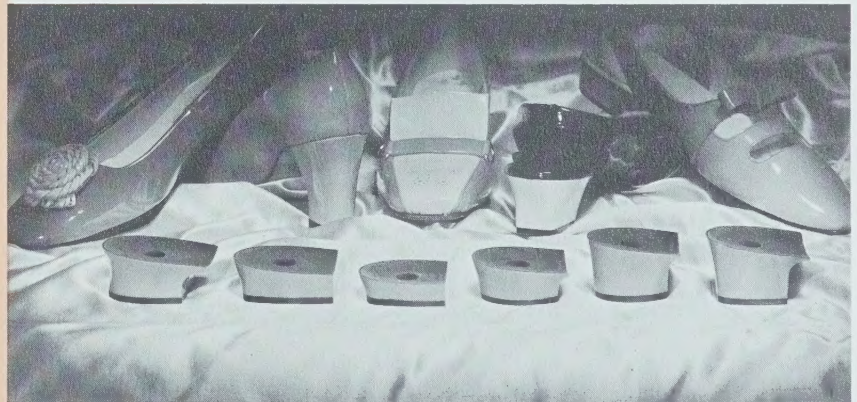
To keep pace with demand nearly \$500,000 was invested in new plant and equipment during the latter part of 1967. As part of this program additional heel molding equipment was installed in the Lawrence, Massachusetts, Kenton, Tennessee and the newly acquired Amesbury, Massachusetts molding plants. The Hanover, Pennsylvania finishing plant was relocated in a more suitable building where production could be increased. Substantial increases in finishing facilities were made at the Portsmouth, Ohio and Los Angeles, California plants. In the last plants materials handling and storage was automated at East Bridgewater, Massachusetts, Kenton, Tennessee, Blanchester, Ohio and Walnut Ridge, Arkansas. This, along with continuing improvements in equipment and layout, increased both efficiency and output.

Shoe last remodeling facilities were increased with the start-up of a remodeling plant in Vandalia, Illinois to serve the St. Louis area manufacturers. The Hartville, Missouri heel finishing plant was closed during the year and its volume transferred to the heel plant in Vandalia, Illinois.

After years of virtual style stagnation the impact of the new fashions on shoe industry sales was impressive. Noting the effect of change many manufacturers are increasing the number of style changes per year thereby deliberately obsoleting their old lasts much more quickly than in the past. This requires more model making and faster service from the last manufacturer but offers the potential for more business. As a result attention was directed during the year toward increasing the staff in our model rooms to keep pace with these changes in demand. It appears 1968 should be another good year for the shoe industry and its related suppliers such as your company.



Amesbury Plastics, Inc., Amesbury, Massachusetts vinyl heel molding and finishing plant. 31,000 square foot building contains 13 molding machines and complete facilities for finishing heels to shoe manufacturers' specifications. It is the leading producer of vinyl heels for women's and children's shoes.



Assortment of current vinyl heel styles molded at Amesbury Plastics, Inc. These heels are widely used in heel heights from flatteries to 12/8. Style versatility, cost and durability have created wide spread acceptance of vinyl heels as substitutes for leather, wood and other types of heels in lower heel heights.

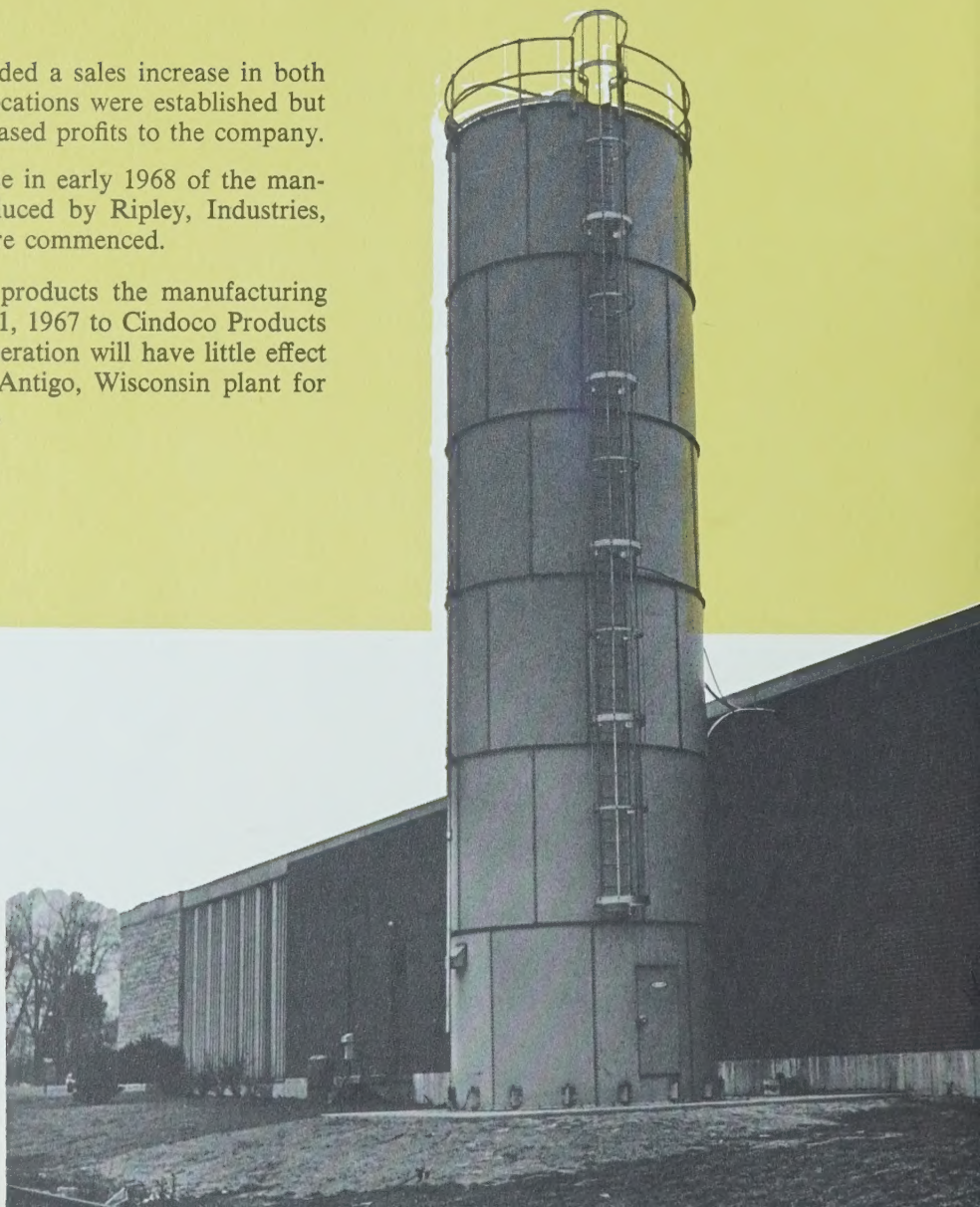
WOOD PRODUCTS

The Vulcan Nyl-Tuf Supreme bowling pin again recorded a sales increase in both the domestic and export market. No additional lease locations were established but the three locations where pins are leased returned increased profits to the company.

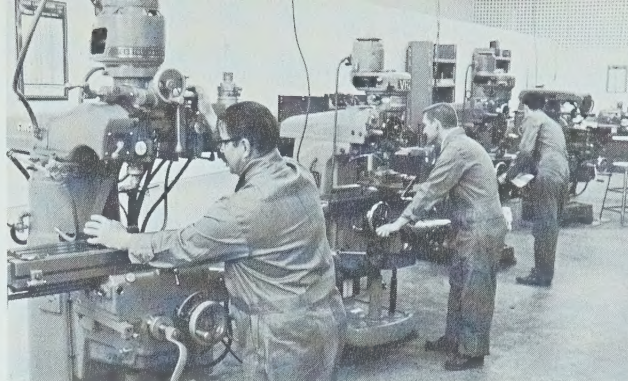
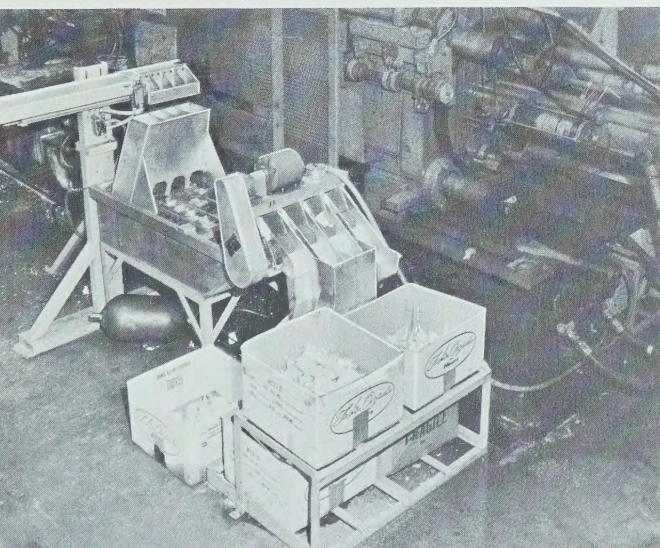
During the year negotiations leading to the purchase in early 1968 of the manufacturing assets of the Dura-Mark bowling pin produced by Ripley, Industries, Inc. of St. Louis, Missouri and Hancock, Michigan were commenced.

So that we might better concentrate on our growth products the manufacturing assets of the U.S. Bung Company were sold December 1, 1967 to Cindoco Products Company, Cincinnati, Ohio. The elimination of this operation will have little effect on overall corporate sales and will free space in the Antigo, Wisconsin plant for the continuing expansion of our bowling pin operation.

Storage silo for plastic material at Blanchester, Ohio. This is one of 7 units erected at each of the molding operations of the company located on rail sidings. Silos hold 200,000 pounds of material. They are loaded automatically from rail cars and feed material to blenders and molding machines as directed by automatic sensors.

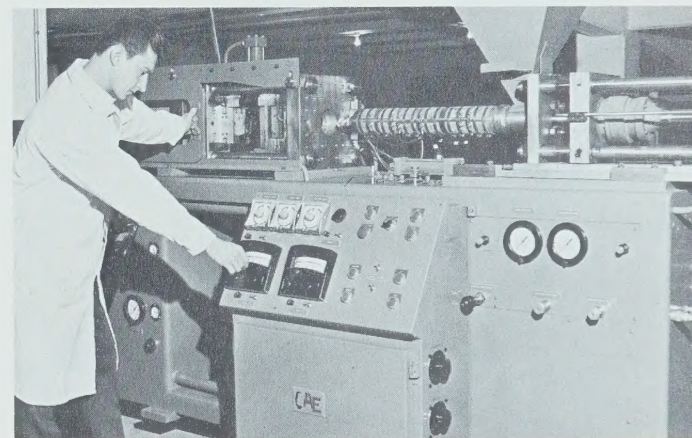


Automatic heel sorter. This automated device unloads injection molding machine, sorts heels by style and size, and places them in containers for shipping or storage. It replaces a machine operator, reduces handling damage, eliminates sorting errors and speeds up molding cycles.



View in Research and Engineering machine shop, Cincinnati, where prototype equipment is designed, built and tested.

Injection molding machine in Research and Engineering lab used for development work on new products, materials and molding techniques.



NOTES AND COMMENTS

In closing we express appreciation to the employees at all levels who invested long hours in the sales and production of our products. Morale seems to be at an all time high. This can be ascribed in part to the listing on the American Stock Exchange, which has created great interest in the company's performance not only among our employees but many of our customers as well.

To our customers we say thanks for your patience in those situations where heavy demand caused lengthy delivery schedules. As noted elsewhere in the report, both our facili-

ties and manpower are being increased in an effort to dramatically improve our service and delivery schedules.

Respectfully submitted,
VULCAN CORPORATION

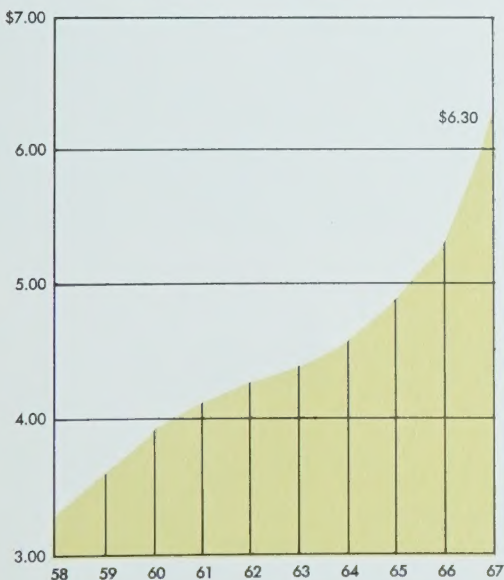
J. W. Brown
Chairman of the Board

Lawrence B. Austing
President

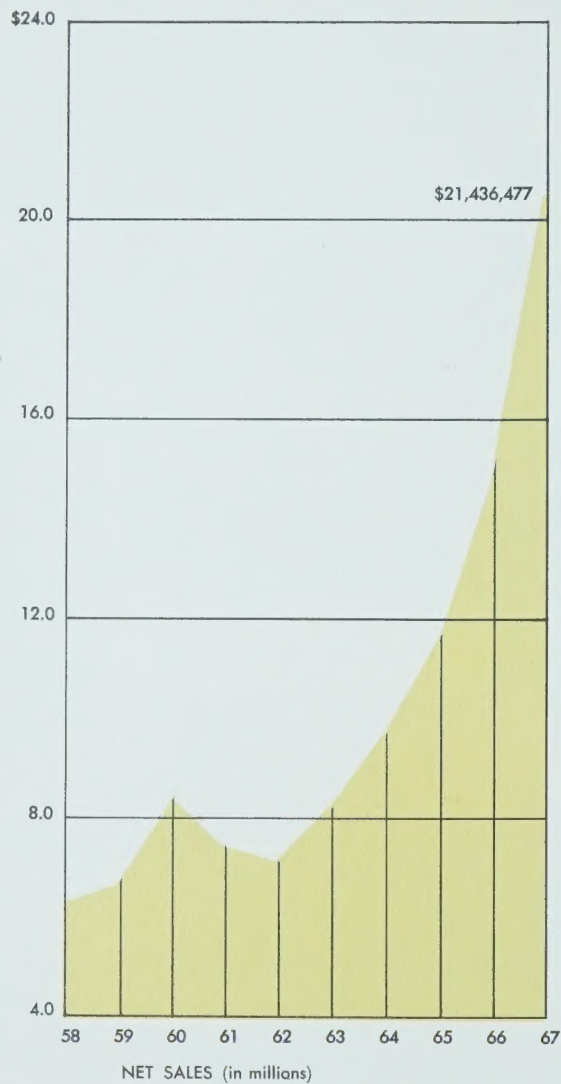
By Order of the Board of Directors

VULCAN CORPORATION 10-YEAR RECORD OF GROWTH

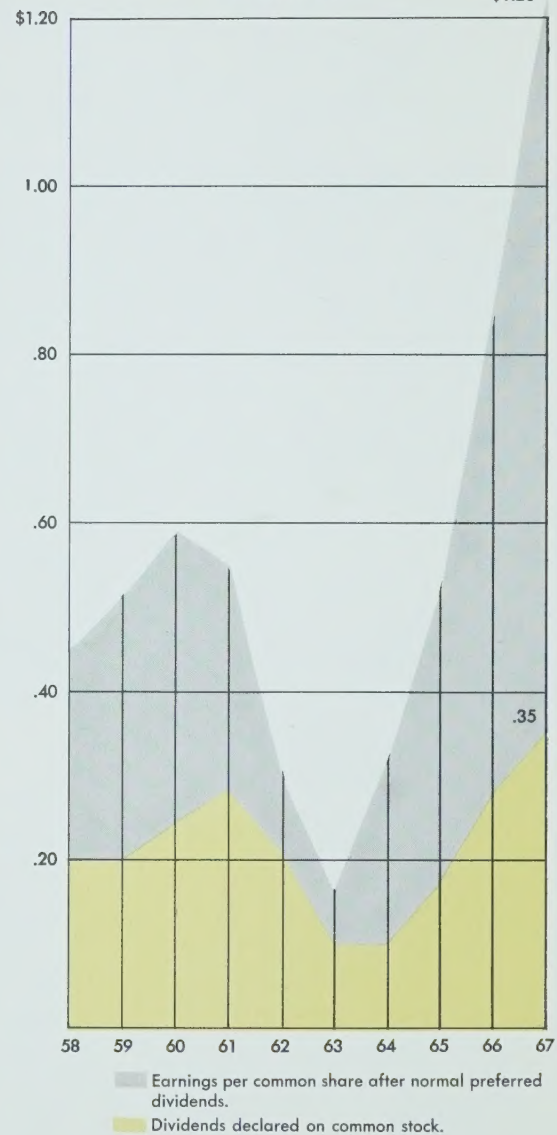
SHAREHOLDERS' EQUITY



SALES



EARNINGS



VULCAN CORPORATION

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

For the years ended December 31, 1967 and December 31, 1966

	1967	1966
Net Sales	\$21,436,477	\$15,002,912
Cost of Sales	16,987,238	12,304,051
Gross Profit	4,449,239	2,698,861
Selling, General and Administrative Expenses	2,263,584	1,510,745
Operating Income	2,185,655	1,188,116
Other Expenses (Income)—Net	64,222	(182,965)
Net Income before Provision for Federal and State Income Taxes	2,121,433	1,371,081
State and Foreign Taxes on Income	177,756	52,034
Federal Taxes on Income	802,000	523,000
	979,756	575,034
Net Income	1,141,677	796,047
Retained Earnings—Beginning of Year	4,525,227	4,018,967
	5,666,904	4,815,014
Cash Dividends Paid—		
\$3.00 Prior Preferred		
\$3.00 per share	7,589	7,974
\$4.50 Cumulative Preferred—		
\$4.50 per share	22,315	23,228
Common—\$.35 per share	315,934	258,585
	345,838	289,787
Retained Earnings—End of Year	\$ 5,321,066	\$ 4,525,227

The accompanying notes are an integral part of these statements.

VULCAN CORPORATION

At December 31, 1967

ASSETS	1967	1966
CURRENT ASSETS:		
Cash	\$ 377,719	\$ 303,369
Marketable securities—at cost (approximate market value at December 31, 1967—\$11,000)	13,950	50,810
Accounts and notes receivable (less allowance for possible losses in collection—\$98,378 in 1967; \$51,984 in 1966)	4,212,306	3,039,971
Inventories—at lower of cost or market	3,296,505	3,030,024
Prepaid insurance	130,067	74,650
	<u>8,030,547</u>	<u>6,498,824</u>
PROPERTY, PLANT AND EQUIPMENT—at cost:		
Land	149,240	139,974
Timberlands and timber cutting rights	551,088	633,173
Buildings and improvements	2,733,600	2,377,137
Machinery and equipment	5,200,409	4,245,022
Leasehold improvements	115,403	102,216
Total	8,749,740	7,497,522
Less—Accumulated depreciation	4,393,818	3,862,921
	<u>4,355,922</u>	<u>3,634,601</u>
DEFERRED CHARGES AND OTHER ASSETS	<u>454,077</u>	<u>234,822</u>
MODELS AND PATTERNS—at nominal value	<u>1</u>	<u>1</u>
TOTAL	<u>\$12,840,547</u>	<u>\$10,368,248</u>

The accompanying notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEET

and December 31, 1966

- LIABILITIES AND SHAREHOLDERS' EQUITY -		1967	1966
CURRENT LIABILITIES			
Notes payable—bank and other		\$ 653,221	\$ 5,685
Accounts payable—			
Trade		1,379,036	987,314
Other		93,129	96,261
Accrued expenses		676,646	348,745
Accrued federal taxes on income		499,461	422,323
Current portion of long term debt		788,120	538,120
		<u>4,089,613</u>	<u>2,398,448</u>
OTHER LIABILITIES		63,263	39,084
LONG TERM DEBT (Note 9)		<u>2,450,043</u>	<u>2,508,164</u>
SHAREHOLDERS' EQUITY:			
Capital stock			
\$3.00 Prior Preferred-stated value \$100.00 per share—			
Authorized 6,641 shares; outstanding			
2,486 shares—1967, 2,625 shares—1966		248,600	262,500
\$4.50 Cumulative Preferred-stated value \$55.00 per			
share—redemption or liquidation value \$100.00 per share			
Authorized 13,281 shares; outstanding			
4,884 shares—1967, 5,018 shares—1966		268,620	275,990
Common-par value \$.25 per share (Note 2)			
Authorized 1,000,000 shares; outstanding			
935,732 shares—1967, 926,132 shares—1966		233,933	231,533
Capital surplus (Note 5)		288,821	254,181
Retained earnings		5,321,066	4,525,227
		<u>6,361,040</u>	<u>5,549,431</u>
Less—Common stock in treasury—at cost			
27,225 shares—1967, 28,050 shares—1966		123,412	126,879
		<u>6,237,628</u>	<u>5,422,552</u>
TOTAL		<u><u>\$12,840,547</u></u>	<u><u>\$10,368,248</u></u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1—The consolidated financial statements include the accounts of the parent company and all subsidiaries both in the United States and Canada. In consolidation all intercompany items and transactions have been eliminated.

NOTE 2—On June 2, 1967, the common shareholders of the company approved a two for one stock split. In accordance therewith, each issued and outstanding common share of \$.50 par value was changed into two common shares with a par value of \$.25 each.

NOTE 3—On September 28, 1967, the common stock of the company was approved for listing on the American Stock Exchange. Active trading of the stock on the exchange started Nov. 6, 1967.

NOTE 4—On November 1, 1967, the company acquired certain assets of Amesbury Plastic Co., Inc., Larn Plastic Heel Corporation, Brody Wood Heel Co., Inc. and New England Heel Co. The total cost of these purchases was \$945,435. For accounting purposes these transactions were considered as purchases and accordingly, the accompanying consolidated statement of income includes the results of operations of the acquired businesses from the date of acquisition.

NOTE 5—The increase in capital surplus during the year represents the excess of proceeds over the par value of common stock sold, totaling \$32,574, plus the net excess of the stated value of preferred stock redeemed over the cost of redemption, amounting to \$2,066.

NOTE 6—At December 31, 1967, there were reserved for employees, under a stock option plan which terminated December 31, 1962, 3,500 shares of the common stock of the company (2,300 shares at \$3.125, 1,200 shares at \$3.475). Options on these shares are currently exercisable. During the year options for 9,600 shares were exercised and options for 200 shares were cancelled. Options expire ten years after date of issuance.

NOTE 7—Depreciation in the amount of \$662,079 and timber depletion in the amount of \$23,406 were charged to operations in 1967.

NOTE 8—During the year, the company and certain of its subsidiaries installed a non-contributory pension plan for eligible salaried employees. Three subsidiaries of the company had maintained contributory and non-contributory pension plans for eligible salaried and hourly employees prior to 1967. These plans remain in effect. The company's policy is to fund pension cost accrued. The total pension expense for the year, including amortization of prior service costs, amounted to \$171,261. Unfunded prior service costs at

December 31, 1967 amounted to approximately \$740,000. The company anticipates amortization of such prior service costs over a period of 30 years. The actuarially computed value of vested benefits for all plans as of December 31, 1967 was less than the total of the pension funds and balance sheet accruals.

NOTE 9—Long term debt consisted of the following:

5½% notes due 1969.....	\$1,548,313
6% note payable to bank in quarterly installments of \$19,530, less portion included in current liabilities.....	56,730
6% notes payable to bank in quarterly installments of \$62,500, less portion included in current liabilities.....	750,000
6½% note payable to bank in quarterly installments of \$115,000, less portion included in current liabilities.....	95,000
	<u>\$2,450,043</u>

Provisions of loan agreements relating to certain long term debts require the company, among other things, to maintain consolidated net working capital of at least \$3,000,000, to obtain the consent of the lenders to create any mortgage or lien upon any assets, and to limit dividends to 50% of net income.

NOTE 10—The company and its subsidiaries occupy manufacturing and office space under various leases with approximate aggregate annual rentals as follows:

1968	\$120,000
1969	110,000
1970	95,000
1971 to 1974.....	250,000
	<u>\$575,000</u>

NOTE 11—Under the provisions of a purchase and sale agreement dated January 18, 1968, the company, on February 5, 1968, acquired certain assets of Ripley Industries, Inc. and Gibbs City Lumber Company for the amount of \$443,122. For accounting purposes these acquisitions were treated as purchases.

J. D. CLOUD & CO.
CERTIFIED PUBLIC ACCOUNTANTS
 TRI-STATE BUILDING
 CINCINNATI
MEMBERS AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

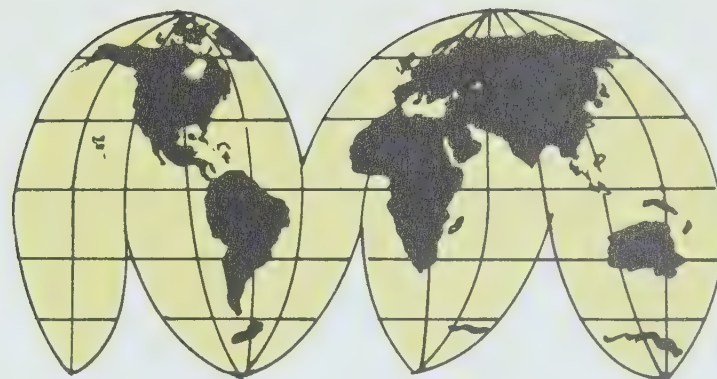
To the President and Board of Directors
 Vulcan Corporation
 Cincinnati, Ohio

We have examined the consolidated balance sheet of Vulcan Corporation and subsidiaries as of December 31, 1967 and the related consolidated statement of income and retained earnings for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We had previously made a similar examination for the preceding year.

In our opinion, the accompanying balance sheet and statement of income and retained earnings present fairly the consolidated financial position of Vulcan Corporation and subsidiaries at December 31, 1967 and the consolidated results of operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

J. D. Cloud & Co.
 Certified Public Accountants

Cincinnati, Ohio
 March 1, 1968



WORLD-WIDE LICENSEES

LASTS & HEELS

El Arbol, Mexico City, D.F.
 Plastic Last Licensee

Shoe Lasts (Australia) Pty. Ltd., Australia
 Style Licensee

The Canada Last Co., Ltd., Canada
 Subsidiary

Mears/Dominion
 Division—Canada Last Co.

BOWLING PINS

Sanko Trading Co.
 Mongkok Trading Corp.

Universal Enterprise Co.
 Vermuelen & Verbeeck
 Keila-Tukku Ky
 Futenma Bowling Ctr.
 Stock Audit de V.
 Ten Pin, Inc.

*Japan
 Hong Kong
 Thailand
 Formosa
 Belgium
 Finland
 Okinawa
 Venezuela
 Guam*

VULCAN CORPORATION AND SUBSIDIARIES

	1967	1966	1965
NET SALES	\$21,436,477	\$15,002,912	\$11,813,997
DEPRECIATION	662,079	481,308	409,427
EARNINGS BEFORE TAXES	2,121,433	1,371,081	835,692
INCOME TAXES	979,756	575,034	343,881
NET EARNINGS	1,141,677	796,047	491,811
EARNINGS PER COMMON SHARE*	1.23	.85	.51
DIVIDENDS PER COMMON SHARE*	.35	.28¾	.17½
TOTAL ASSETS	12,840,547	10,368,248	6,244,622
PROPERTY, PLANT AND EQUIPMENT	4,175,870	3,448,570	1,904,625
CURRENT ASSETS	8,030,547	6,498,824	4,066,299
RATIO CURRENT ASSETS TO CURRENT LIABILITIES	1.96 to 1	2.71 to 1	3.37 to 1
TOTAL SHAREHOLDERS' EQUITY	6,237,628	5,422,552	5,000,838
COMMON SHAREHOLDERS EQUITY PER SHARE	6.30	5.28	4.89

*Reflects two-for-one stock split effective June 2, 1967 and two-for-one stock split effective April 28, 1961.

10-YEAR RECORD OF GROWTH

1964	1963	1962	1961	1960	1959	1958
\$ 9,881,967	\$ 8,278,869	\$ 7,738,430	\$ 7,862,244	\$ 8,328,173	\$ 6,969,843	\$ 6,215,028
460,033	436,869	367,580	184,738	159,358	146,786	125,702
511,921	269,984	409,249	1,028,138	1,211,310	871,857	851,255
186,949	85,200	101,330	488,050	633,475	366,353	394,885
324,972	184,784	307,919	540,088	577,835	505,504	456,370
.32	.16	.29	.55	.59	.51	.45
.10	.10	.21¼	.28¾	.25	.20	.20
5,675,341	5,749,431	5,133,155	4,940,584	4,771,104	4,346,925	4,107,046
1,692,774	1,882,100	1,791,755	1,410,810	1,375,563	1,256,149	1,116,136
3,635,277	3,329,148	2,851,258	3,048,325	2,995,256	2,536,940	2,228,770
4.38 to 1	2.87 to 1	5.04 to 1	6.89 to 1	6.31 to 1	8.06 to 1	6.84 to 1
4,776,442	4,590,125	4,567,499	4,498,610	4,296,202	4,032,302	3,780,974
4.55	4.34	4.28	4.19	3.94	3.61	3.30

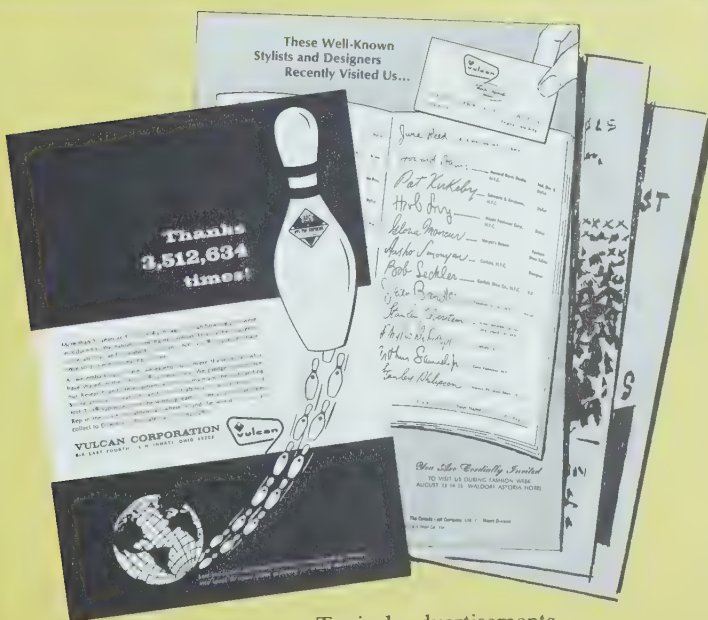
Per share earnings have been computed in accordance with currently accepted practice on the basis of the average number of shares outstanding during the year rather than on the basis of the number of shares outstanding at year end. This accounts for the minor differences between the figures shown and those previously reported.

Picture taken at executive offices of KANE-MATSU-GOSHU, LTD. in Tokyo, Japan. Seated from left to right are: Mr. T. Shiraishi, Mr. Kazumi Seno, Mr. T. Kataoka and Mr. A. Hirasawa—all on the executive staff of Kane-matsu-Goshu, Ltd., leading producers of bowling pin setters in Japan. Next are Mr. T. Nakano, Sales Mgr. and Mr. H. Mizutani, President of Sanko Trading Co., Ltd.—distributors of Vulcan Nyl-Tuf® Supreme Pins in Japan. At right is Mr. George Ziepfel, Director of Sales, Bowling Pin Division, Vulcan Corp.



Pictured after enjoying the sport of bowling at the Sports Center, Helsinki, one of the Finnish bowling establishments which features Vulcan Nyl-Tuf Supreme bowling pins, are, left to right, J. W. Brown, Chairman of the Board of Vulcan Corporation, Oscar Robertson (the one and only Big O), and Seppo Miettinen, Finnish representative for Vulcan bowling pins. Oscar's bowling scores, while not as impressive as his basketball achievements, were commendable.

Empire State's Style Salon and Sales Office, Suite 6724. Decorated in a Spanish motif the Style Salon houses a stimulating collection of lasts, heels and shoes in a creative atmosphere easily accessible to industry stylists in this, the footwear fashion center of the United States. Two previously existing sales offices were consolidated in this location during the year, eliminating duplication of services.



Sample issue of Vulcan's Quarterly Style Bulletin which features new Last and Heel Styles from Vulcan/Mears Styling Centers coordinated with fashion suggestions and shoe interpretation.



Typical advertisements

SHOE PRODUCTS DIVISION

SHOE LASTS

Blanchester, Ohio	Lasts	M. Wade
Johnson City, New York	Lasts	R. P. Morrison
Kenton, Tennessee	Lasts	W. R. Stafford
Walnut Ridge, Arkansas	Lasts	L. S. Nichols
Vandalia, Illinois	Remodeled Lasts	R. S. Stamm

Subsidiary Corporations

George E. Belcher Company Stoughton, Massachusetts	Lasts	M. R. Shields
The Canada Last Company, Ltd. Preston, Ontario	Lasts	A. D. Iredale
Woodard and Wright Last Corp. East Bridgewater, Massachusetts	Lasts	R. C. Rhoades
Brockton Last Remodeling Corp. Stoughton, Massachusetts	Remodeled Lasts	M. R. Shields
Morton Last Company Portsmouth, Ohio	Remodeled Lasts	L. L. Barringer
F. W. Stuart Co., Inc. Andover, Massachusetts	Last Sales	K. E. Holmes

MEARS DIVISION — SHOE HEELS

Blanchester, Ohio	Plastic Heel Molding	M. Wade
Kenton, Tennessee	Plastic Heel Molding	W. R. Stafford
Lawrence, Massachusetts	Plastic Heel Molding— Heel Finishing	E. H. Peabody
Hanover, Pennsylvania	Heel Finishing	R. R. Small
Johnson City, New York	Heel Turning & Finishing	R. H. Watson
Vandalia, Illinois	Heel Turning & Finishing	R. Adams
Portsmouth, Ohio	Heel Finishing	James Phillips
South Charleston, Ohio	Wood Heel Turning	C. E. Bartlett
Amesbury, Massachusetts	Heel Finishing	R. Brody
Amesbury, Massachusetts	Heel Finishing	A. Gorevitz

Subsidiary Corporations

Great Western Heel Co., Inc. Los Angeles, California	Heel Finishing	L. Milchen
Mears/Dominion—Heels Montreal, P. Q.	Heel Turning & Finishing	J. Bouchard
Streetsville, Ontario	Heel Finishing	H. Bonham
Quebec, P. Q.	Heel Finishing	R. Lefebvre
Amesbury Plastics, Inc.	Plastic Heel Molding	N. Brody

STYLE SALONS AND SALES OFFICE

Empire State Building, New York

St. Louis, Missouri

Lawrence, Massachusetts

Montreal, P. Q.

WOOD PRODUCTS DIVISION

Antigo, Wisconsin

Bowling Pins

F. Maly

FOREST PRODUCTS DIVISION

Donken, Michigan

Timber

S. A. Shebuski

RESEARCH AND DEVELOPMENT

Cincinnati

C. J. Hunt

HEALTH AND SAFETY

Antigo

M. K. Bunten, R.N.

EXECUTIVE—SALES—ENGINEERING OFFICES 6 EAST FOURTH STREET, CINCINNATI, OHIO

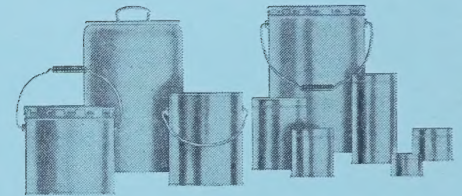
VULCAN CORPORATION CINCINNATI, OHIO 45202 U. S. A.

Woodard & Wright Last Corp., E. Bridgewater, Mass. □ The Great Western Heel Co., Inc., Los Angeles, Calif. □ F. W. Stuart Co., Inc., Stoughton, Mass. □ Amesbury Plastics, Inc., Amesbury, Mass. □ The Canada Last Co., Ltd., Preston, P.Q., Canada. □ Brockton Last Remodeling Corp., Stoughton, Mass. □ Mears Division, Lawrence, Mass. □ Brody Heel Co., Amesbury, Mass. □ The George E. Belcher Co., Stoughton, Mass. □ Mears/Dominion, Montreal, P.Q., Canada □ New England Heel Co., Amesbury, Mass. □ Morton Last Co., Portsmouth, Ohio.

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Corp report

VULCAN



VULCAN CONTAINERS (CANADA) LIMITED

**INTERIM
REPORT
TO
SHAREHOLDERS**

FOR THE SIX MONTHS ENDED JUNE 30, 1967

of Toronto.

TO VULCAN SHAREHOLDERS:

NET SALES

Net sales for the six months ended June 30, 1967 were \$2,887,648. Although this figure is slightly below our sales estimate for this period, it reflects the change in the marketing policy of our steel warehousing division and the cessation of the custom slitting operations.

INCOME FROM OPERATIONS

Income, after the deduction of manufacturing, selling, administrative expenses and depreciation, amounted to \$108,853 for the first six months of 1967 as compared to \$111,788 for the twelve months of 1966.

NET PROFIT

Profits, before income taxes, were \$71,507. After provision for income taxes of \$32,100, net profit transferred to retained earnings amounted to \$39,407, or 10¢ per share compared with the net of \$22,602 for the twelve months of 1966, or 6¢ per share.

ANALYSIS

As we advised in our Annual Report for 1966, a sales target for 1967 would be established, based on a reduction in sales in the Rexsteel division and an increase in the base price of the steel container divisions with a moderate price increase in the Metal Decorating division. This sales programme, together with a rigid control of the expenses of each division, has resulted in a decided improvement in the profit level this year.

LOOKING AHEAD

Net sales for the last six months of 1967 should approximate the results for the first six months and, again, is based on the sales programme as outlined above. A further reduction in the operating expenses is expected in the ensuing period and a further improvement in the profit level is anticipated.

NORMAN G. BERNECKER
President

August 10th, 1967.

VULCAN CONTAINERS (CANADA) LIMITED

*1967 YR. SALES
TARGET \$6.3*

*1966 1/2 yr. SALES \$3,414,837
Profit 54,496 or 13 cents.*

	Six Months Ended June 30, 1967		Twelve Months of 1966	
		%		%
Net Sales - - - - -	\$2,887,648.	100.00	\$6,098,685.	100.00
Deduct—				
Manufacturing, Selling and Administrative Expenses	2,693,175.	93.26	5,816,347.	95.36
Provision for Depreciation - - - - -	85,620.	02.97	170,550.	02.80
Income from Operations - - - - -	\$ 108,853.	03.77	\$ 111,788.	01.83
Deduct—				
Interest Expense less Miscellaneous Income - -	37,346.	01.29	81,686.	01.34
Profit before Provision for Income Taxes - - - -	\$ 71,507.	02.48	\$ 30,102.	00.49
Deduct—				
Provision for Income Taxes - - - - -	32,100.	01.11	7,500.	00.12
Net Profit for Period - - - - -	\$ 39,407.	01.36	\$ 22,602.	00.37
Earnings per Common Share - - - - -	9.7¢		5.6¢	